

FOR IMMEDIATE RELEASE

**RAFFLES UNITED SWINGS BACK
WITH FULL-YEAR PROFIT OF \$3.6M**

SINGAPORE, 23 February 2018 – Amidst an expansion of its businesses and tight controls on its inventories, **Raffles United Holdings Ltd** (“RUH” or “the Group”) has swung to a profit of \$3.6 million for the financial year ended 31 December 2017 (“FY17”), from a loss of \$6.7 million in the preceding financial year (“FY16”).

The Group also recorded a 2% improvement in revenue for FY17 to \$73.0 million, from \$71.4 million in FY16. This was primarily due to:

- contribution from the Group's subsidiary, Acee Electric Pte Ltd, which was acquired in March 2017; and
- a significant increase in sales contribution from the Original Equipment Manufacturer market in Singapore, Malaysia, Indonesia and Vietnam

The increase was offset by:

- absence of revenue contribution from the Group's Taiwan subsidiary in FY17 (FY16: \$4.6 million) following its disposal in 2H16;
- stiff competition in the dealers' market primarily in Western and other Asian countries; and
- inventory clearance at reduced prices in FY16.

The turnaround was contributed by:-

- higher revenue as explained above;
 - improved gross profit in FY17 due to old stocks promotion at reduced prices in FY16;
 - non-recurring loss on disposal of a subsidiary in 2016;
 - non-recurring significant provisions for slow-moving inventories in FY16;
 - increase in gain on changes in fair value of investment properties; and
 - overall drop in operating costs.
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In light of the above, the Group booked a profit before tax of \$3.0 million in FY17, compared to loss before tax of \$6.6 million in FY16.

Net cash generated from operating activities for FY17 also improved to \$15.8 million, compared to \$13.9 million a year ago.

During the year, the Group continued to effectively optimise its bearings and seals operations, while turning in a positive contribution from its property, electrical and gearbox divisions. Having successfully executed its strategy in managing inventories and cash in FY17 in spite of challenging global market conditions, RUH is looking forward to carrying the momentum over into the current 2018 financial year. The Group will work towards better positioning itself to seize any growth opportunities that may arise, while maintaining its disciplined strategy. Barring unforeseen circumstances, the Group expects to be profitable in 2018.

About Raffles United Holdings Ltd

Raffles United Holdings Ltd (K22.SI / KH SP), formerly known as Kian Ho Bearings Ltd, is one of the largest professional stockist, distributor and retailer of bearings and seals products in the region. The Group carries a comprehensive product range of more than 35,000 product types across various brands in the bearings and seals business, and has extensive presence in South East Asia and Greater China enabling the Group to cater to the needs of resellers and OEM customers globally. Having also recently expanded into property investment, Raffles United currently owns 7 units of 2-storey shophouses along Lavender Street and 10 commercial shop units at 1 Sophia Road and is on the lookout for suitable opportunities to build upon its property portfolio. For more information, please visit <http://www.rafflesunited.com.sg>

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